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Message Text

PAGE 01 STATE 181042
ORIGIN EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 COME-00 LAB-04 STR-07
L-03 AGRE-00 CIAE-00 INR-10 NSAE-00 SP-02 TRSE-00
FRB-03 OMB-01 /062 R

DRAFTED BY EB/TEX:ABERRY/WBREW:AAM
APPROVED BY EB/ITP:WBARRACLOUGH
COMMERCE: EGOTTFRIED
LABOR: IKRAMER
STR: PMURPHY (INFO)
EA/PRCM: SSTANFIELD (INFO)
L/T: LBAUMANN
L/EB: GLEHNER (INFO)
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P R 181632Z JUL 78
FM SECSTATE WASHDC
TO AMCONSUL HONG KONG PRIORITY
INFO USMISSION GENEVA

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HONG KONG FOR TEXTILE DEL, GENEVA FOR PHELAN

E.O. 11652:N/A

TAGS: EPAP, MC

SUBJECT: U.S./MACAU TEXTILE AGREEMENT

A. SECTION B BELOW IS TEXT OF DRAFT NOTE AMENDING US/
MACAU BILATERAL TEXTILE AGREEMENT IN ORDER TO REALIGN IT
TO NEW US TEXTILE CLASSIFICATION SYSTEM WHICH WAS EFFECTIVE
JANUARY 1, 1978. WE BELIEVE THAT PRESENT DRAFT TEXT
RESOLVES ALL ISSUES WHICH MACAU HAS RAISED. IF MACAU
ACCEPTS DRAFT NOTE WITHOUT CHANGES, EMBASSY IS AUTHORIZED
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PAGE 02 STATE 181042

TO EXCHANGE NOTES ACCORDINGLY. WHEN THE EXCHANGE IS
COMPLETED, NOTIFY THE DEPARTMENT BY IMMEDIATE CABLE AND
FORWARD THE ORIGINAL AND ONE COPY OF THE MACAU NOTE AND
TWO COPIES OF THE EMBASSY NOTE TO THE DEPARTMENT IN
ACCORDANCE WITH 11 FAM 723.7.

B. BEGIN TEXT:

-- I HAVE THE HONOR TO REFER TO THE ARRANGEMENT
REGARDING INTERNATIONAL TRADE IN TEXTILES, WITH ANNEXES,

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

DONE AT GENEVA ON DECEMBER 23, 1973, AND EXTENDED BY
PROTOCOL ADOPTED ON DECEMBER 14, 1977 AT GENEVA
(HEREINAFTER REFERRED TO AS THE ARRANGEMENT). I HAVE

ALSO THE HONOR TO REFER TO THE NEW SYSTEM OF CLASSIFYING
TEXTILES AND TEXTILE PRODUCTS BY CATEGORY IMPLEMENTED
BY THE UNITED STATES OF AMERICA ON JANUARY 1, 1978 AND TO
DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS
CONCERNING THE AGREEMENT AND THE NEW SYSTEM OF CLASSIFYING
TEXTILES AND TEXTILE PRODUCTS, HELD IN HONG KONG ON
FEBRUARY 14, 1978. AS A RESULT OF THESE DUSCUSSIONS,
I WISH TO PROPOSE THE FOLLOWING AMENDMENT TO THE AGREEMENT:

1. THIS AMENDMENT SHALL BE EFFECTIVE AS OF JANUARY 1,
1978.
2. PARAGRAPH 3 OF THE AGREEMENT IS AMENDED TO READ AS
FOLLOWS:
"WITHIN THE AGGREGATE LIMIT, THE FOLLOWING GROUP LIMITS
SHALL APPLY FOR THE FOURTH AGREEMENT YEAR:
GROUP LIMIT (IN SQUARE YARDS
-- EQUIVALENTS)
I CATEGORIES 300-369
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PAGE 03 STATE 181042

-- AND 600-669 36,683,370

II CATEGORIES 400-469 1,471,413

3. PARAGRAPH 4 OF THE AGREEMENT IS AMENDED TO READ AS
FOLLOWS:

"WITHIN THE APPLICABLE GROUP LIMIT, THE FOLLOWING SPECIFIC
LIMITS SHALL APPLY FOR THE FOURTH AGREEMENT YEAR:

CATEGORY	DESCRIPTION	UNITS	SQUARE YARDS
333/334/335	COATS	73,050 DOZ.	
338/339	KNIT TOPS	436,042 DOZ.	3,139,502
347/348	TROUSERS	230,407 DOZ.	4,101,245
633/634/635	COATS	162,509 DOZ.	
638/639	KNIT TOPS	-----	10,438,626
645/646	SWEATERS	87,888 DOZ.	3,234,278
647/648	TROUSERS	177,297 DOZ.	3,155,887
445/446	SWEATERS	57,124 DOZ.	850,005

4. PARAGRAPH 7 OF THE AGREEMENT IS AMENDED BY THE
ADDITION OF THE FOLLOWING SUBPARAGRAPH

-- "(E) IF THERE SHALL BE DIFFERENCE OF VIEW BETWEEN
THE TWO GOVERNMENTS WITH RESPECT TO THE ALLOCATION OF

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Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

SHORTFALL IN CATEGORIES SUBJECT TO SPECIFIC LIMITS, THE TWO GOVERNMENTS AGREE TO CONSULT PROMPTLY, AND IN ANY

CASE WITHIN THE FIRST SIX MONTHS OF THE AGREEMENT YEAR SUBSEQUENT TO THE AGREEMENT YEAR IN WHICH THE SHORTFALL OCCURRED TO RESOLVE SUCH DIFFERENCES ON A MUTUALLY SATISFACTORY BASIS. PENDING RESOLUTION OF SUCH DIFFERENCES, IF ANY, THE GOVERNMENT OF MACAU MAY ALLOCATE SHORTFALL IN SUCH CATEGORIES ON THE BASIS OF

TRADE STATISTICS AND TRADE INFORMATION PROVIDED BY THE UNITED STATES IN ACCORDANCE WITH PARAGRAPH 10 OF THIS AGREEMENT."

5. THE THIRD AND FOURTH SENTENCES OF PARAGRAPH 8 OF THE AGREEMENT ARE AMENDED TO READ AS FOLLOWS:

"UNTIL AGREEMENT ON A DIFFERENT LEVEL OF EXPORTS IS REACHED, MACAU SHALL LIMIT EXPORTS FROM MACAU TO THE UNITED STATES OF AMERICA IN THE CATEGORY IN QUESTION TO THE CONSULTATION LEVEL IN EFFECT AT THE TIME OF THE REQUEST FOR CONSULTATIONS. FOR EACH AGREEMENT YEAR, THE CONSULTATION LEVEL FOR EACH CATEGORY NOT SUBJECT TO A SPECIFIC LIMIT, OR TO A DESIGNATED CONSULTATION LEVEL SET OUT IN ANNEX B, SHALL BE 1,000,000 SQUARE YARDS EQUIVALENT FOR CATEGORIES 300-330, 360-369, 600-630 AND 660 TO 669, 700,000 SQUARE YARDS FOR CATEGORIES 331-359 AND 631-659; AND 102,010 SQUARE YARDS EQUIVALENT FOR CATEGORIES 400-469. CONSULTATION LEVELS GREATER THAN THE ABOVE CONSULTATION LEVELS ARE DESIGNATED IN ANNEX B.

6. SUBPARAGRAPH 11(A) OF THE AGREEMENT IS AMENDED TO READ AS FOLLOWS:

"IN IMPLEMENTING THIS AGREEMENT, THE SYSTEM OF CATEGORIES AND THE RATES OF CONVERSION INTO SQUARE YARDS EQUIVALENT LISTED IN ANNEX A HERETO SHALL APPLY, EXCEPT AS SET OUT IN SUBPARAGRAPH 11 (D)."

7. PARAGRAPH 11 OF THE AGREEMENT IS AMENDED BY THE INCLUSION OF THE FOLLOWING SUBPARAGRAPH:

"(D) FOR PURPOSES OF THIS AGREEMENT, THE GROUP OF CATEGORIES BELOW ARE MERGED AND TREATED AS SINGLE

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Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CATEGORIES AS INDICATED:

CATEGORIES MERGED	DESIGNATED IN AGREEMENT
333, 334, 335	333/334/335
338, 339	338/339
347, 348	347/348
445, 446	445/446
633, 634, 635	633/634/635
638, 639	638/639
645, 646	645/646
647, 648	647/648

FOR PURPOSES OF COMPUTING CHARGES TO THE AGGREGATE, GROUP AND SPECIFIC LIMITS FOR THE CATEGORIES CITED ABOVE, THE RATES OF CONVERSION FOR INDIVIDUAL CATEGORIES SET OUT IN ANNEX A SHALL BE APPLIED.

8. THE AGREEMENT IS AMENDED BY THE INCLUSION OF A NEW PARAGRAPH WHICH READS AS FOLLOWS:

"18. DURING THE 1978 AGREEMENT YEAR, EACH GOVERNMENT SHALL MAINTAIN RECORDS OF IMPORTS OR EXPORTS, AS APPROPRIATE, OF COTTON SUITS, THE COMPONENT PARTS OF WHICH WERE CHARGED TO TWO OR MORE OF CATEGORIES 333, 334, 335, 342, 347, AND 348. IF THE GOVERNMENT OF THE UNITED STATES OF AMERICA REQUESTS CONSULTATION WITH THE GOVERNMENT OF MACAU PRIOR TO THE END OF THE 1978 AGREEMENT YEAR WITH A VIEW TO CREATING A SEPARATE SPECIFIC LIMIT FOR COTTON SUITS, THE GOVERNMENT OF MACAU AGREES TO CONSULT PROMPTLY WITH THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

9. ANNEX A TO THE AGREEMENT IS REPLACED WITH ANNEX A
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TO THIS AMENDMENT. ANNEX B TO THIS AMENDMENT IS ADDED TO THE AGREEMENT, AS ANNEX B.

IF THIS PROPOSAL IS ACCEPTABLE TO THE GOVERNMENT OF MACAU, THIS NOTE AND YOUR NOTE OF CONFIRMATION ON BEHALF OF THE GOVERNMENT OF MACAU SHALL CONSTITUTE AN AMENDMENT TO THE AGREEMENT WHICH WILL ENTER INTO FORCE ON THE DATE OF YOUR NOTE OF CONFIRMATION. (COMPLIMENTARY CLOSE).

-- ANNEX A

CATEGORY	DESCRIPTION	CONVERSION FACTOR	UNIT OF MEASURE
--	YARN		
--	-- COTTON		
300	CARDED	4.6	LB.

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301 COMBED 4.6 LB.
-- -- WOOL
400 TOPS AND YARN 2.0 LB.
-- -- MAN-MADE FIBER
600 TEXTURED 3.5 LB.
601 CONT. CELLULOSIC 5.2 LB.

602 CONT. NONCELLULOSIC 11.6 LB.
603 SPUN CELLULOSIC 3.4 LB.
604 SPUN NONCELLULOSIC 4.1 LB.
605 OTHER YARNS 3.5 LB.
-- FABRIC
-- -- COTTON
310 GINGHAMS 1.0 SYD
311 VELVETEENS 1.0 SYD
312 CORDUROY 1.0 SYD
313 SHEETING 1.0 SYD
314 BROADCLOTH 1.0 SYD
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315 PRINTCLOTHS 1.0 SYD
316 SHIRTINGS 1.0 SYD
317 TWILLS AND SATEENS 1.0 SYD
318 YARN-DYED 1.0 SYD
319 DUCK 1.0 SYD
320 OTHER FABRICS, N.K. 1.0 SYD
-- -- WOOL
410 WOOLENS AND WORSTED 1.0 SYD
411 TAPESTRIES AND
-- UPHOLSTERY 1.0 SYD
425 KNIT 2.0 LB.
429 OTHER FABRICS 1.0 SYD
-- -- MAN-MADE FIBER
610 CONT. CELLULOSIC, N.K. 1.0 SYD
611 SPUN CELLULOSIC, N.K. 1.0 SYD
612 CONT. NONCELLULOSIC, N.K.1.0 SYD
613 SPUN NONCELLULOSIC, N.K. 1.0 SYD
614 OTHER FABRICS, N.K. 1.0 SYD
625 KNIT 7.8 LB.
626 PILE AND TUFTED 1.0 SYD
627 SPECIALTY 7.8 LB.
-- APPAREL
-- -- COTTON
330 HANDKERCHIEFS 1.7 DZ.
331 GLOVES 3.5 DPR
332 HOSIERY 4.6 DPR
333 SUIT-TYPE COATS, M AND
-- B 36.2 DZ.
334 OTHER COATS, M AND B 41.3 DZ.
335 COATS, W, G AND I 41.3 DZ.
336 DRESSES (INC. UNIFORMS) 45.3 DZ.

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337 PLAYSUITS, SUNSUITS,
-- - WASHSUITS, CREEPERS 25.0 DZ.
338 KNIT SHIRTS, (INC. T-
-- SHIRTS, OTHER AND
-- SWEATSHIRTS) M AND B 7.2 DZ.
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PAGE 08 STATE 181042

339 KNIT SHIRTS AND BLOUSES
-- (INC. T-SHIRTS, OTHER
-- AND SWEATSHIRTS) W, G
-- AND I 7.2 DZ.
340 SHIRTS, N.K. 24.0 DZ.
341 BLOUSES, N.K. 14.5 DZ.
342 SKIRTS 17.8 DZ.
345 SWEATERS 36.8 DZ.
347 TROUSERS, SLACKS, AND
-- SHORTS (OUTER)
-- M AND B 17.8 DZ.
348 TROUSERS, SLACKS AND
-- SHORTS (OUTER) W,
-- G AND I 17.8 DZ.
349 BRASSIERES, ETC. 4.8 DZ.
350 DRESSING GOWNS, INC.
-- BATHROBES, AND BEACH
-- ROBES, LOUNGING GOWNS
-- HOUSE COATS, AND
-- DUSTERS 51.0 DZ.
351 PAJAMAS AND OTHER
-- NIGHTWEAR 52.0 DZ.
352 UNDERWEAR (INC. UNION
-- SUITS) 11.0 DZ.
359 OTHER APPAREL 4.6 LB.
-- -- WOOL
431 GLOVES 2.1 DPR
432 HOSIERY 2.8 DPR
433 SUIT-TYPE COATS, M AND B 3.0 NO.
434 OTHER COATS, M AND B 4.5 NO.
435 COATS, W, G AND I 4.5 NO.
436 DRESSES 4.1 NO.
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PAGE 09 STATE 181042

438 KNIT SHIRTS AND BLOUSES 15.0 DZ.
440 SHIRTS AND BLOUSES, N.K.24.0 DZ.
442 SKIRTS 1.5 NO.
443 SUITS, M AND B 4.5 NO.
444 SUITS, W, G AND I 4.5 NO.
445 SWEATERS, M AND B 14.88 DZ.
446 SWEATERS, W, G AND I 14.88 DZ.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

447 TROUSERS, SLACKS, AND
-- SHORTS (OUTER)
-- M AND B 1.5 NO.
448 TROUSERS, SLACKS AND
-- SHORTS (OUTER)
-- MADE- W, G AND I 1.5 NO.
459 OTHER WOOL APPAREL 2.0 LB.
-- -- MAN-MADE FIBER

630 HANDKERCHIEFS 1.7 DZ.
631 GLOVES 3.5 DPR
632 HOSIERY 4.6 DPR
633 SUIT-TYPE COATS,
-- M AND B 36.2 DZ.
634 OTHER COATS, M AND B 41.3 DZ.
635 COATS, W, G AND I 41.3 DZ.
636 DRESSES 45.3 DZ.
637 PLAYSUITS, SUNSUITS,
-- WASHSUITS, ETC. 21.3 DZ.
638 KNIT SHIRTS, (INC. T-
-- SHIRTS), M AND B 18.0 DZ.
639 KNIT SHIRTS AND BLOUSES
-- (INC. T-SHIRTS), W,
-- G AND I 15.0 DZ.
640 SHIRTS, N.K. 24.0 DZ.
641 BLOUSES, N.K. 14.5 DZ.
642 SKIRTS 17.8 DZ.
643 SUITS, M AND B 4.5 NO.
644 SUITS, W, G AND I 4.5 NO.
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645 SWEATERS, M AND B 36.8 DZ.
646 SWEATERS, W, G AND I 36.8 DZ.
647 TROUSERS, SLACKS, AND
-- SHORTS (OUTER),
-- M AND B 17.8 DZ.
648 TROUSERS, SLACKS AND
-- SHORTS (OUTER), W,
-- G AND I 17.8 DZ.
649 BRASSIERES, ETC. 4.8 DZ.
650 DRESSING GOWNS, INC.
-- BATH AND BEACH ROBES 51.0 DZ.
651 PAJAMAS AND OTHER
-- NIGHTWEAR 52.0 DZ.
652 UNDERWEAR 16.0 DZ.
659 OTHER APPAREL 7.8 LB.
-- MADE-UPS AND MISC.
-- -- COTTON
360 PILLOWCASES 1.1 NO.
361 SHEETS 6.2 NO.
362 BEDSPREADS AND QUILTS 6.9 NO.

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363 TERRY AND OTHER PILE
-- TOWELS 0.5 NO.
369 OTHER COTTON
-- MANUFACTURES 4.6 LB.
-- -- WOOL
464 BLANKETS AND AUTO ROBES 1.3 LB.
465 FLOOR COVERING 0.1 SFT
469 OTHER WOOL MANUFACTURES 2.0 LB.

-- -- MAN-MADE FIBER
665 FLOOR COVERINGS 0.1 SFT
666 OTHER FURNISHINGS 7.8 LB.
669 OTHER MAN-MADE
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-- MANUFACTURES 7.8 LB.

-- ANNEX B
ANNUAL CONSULTATION LEVELS FOR CATEGORIES NOT SUBJECT TO
MINIMUM CONSULTATION LEVELS.

CATEGORY	DESCRIPTION	UNITS	SQUARE YARDS EQUIVALENT
317	TWILL AND SATEEN	2,257,813 SYD.	2,257,813
340	SHIRTS, NOT KNIT	93,625 DOZ.	2,247,000
652	UNDERWEAR	149,583 DOZ.	2,393,328
659	OTHER APPAREL	203,724 LB.	1,589,047

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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TEXT, TRADE AGREEMENTS, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE181042
Document Source: ADS
Document Unique ID: 00
Drafter: EB/TEX:ABERRY/WBREW:AAM
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780294-1070
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197807106/baaaezgu.tel
Line Count: 414
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: e470566b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1857384
Secure: OPEN
Status: NATIVE
Subject: U.S./MACAU TEXTILE AGREEMENT
TAGS: EPAP, ETRD, MC, US
To: HONG KONG INFO GENEVA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e470566b-c288-dd11-92da-001cc4696bcc
Review Markings:
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